

Opening Address Senate President Pro Tem Peter Kinder

January 8, 2003

Good afternoon and welcome back as we begin our challenging task of transacting the public's business in another tough budget year. I am delighted to see each of you, as I know you are delighted to be here.

Today, we have sworn in 17 members of this August body. We bid each of you a warm welcome. To our returning colleagues, we are again delighted to welcome you back as part of our Senate family. And to our twelve new members, we are most pleased to welcome you to the Missouri Senate. Service in this body is an honor and a privilege accorded to only a few.

Look around this magnificent chamber. On the occasion corresponding to this day a year ago, I focused our attention on our magnificent renovation, then newly completed, the results of which are so beautiful to behold. I asked us all to reflect on the wisdom of Sir Winston Churchill, who said:

"First we shape our buildings. Then they shape us."

Surely we must count ourselves fortunate to be allowed to work in a room that has taken its place among the most magnificent legislative chambers in the world.

But look around at another feature of this chamber. You will see that there is no line of demarcation between the members of the two great political parties. We don't have seating by parties in the Missouri Senate, and as far as I know, never have had. This is as it should be, for as we are fond of repeating, each one of us is a senator and, now that you're here, you are an irreplaceable part of our Senate family.

Together, we face daunting challenges. However, as a state we have faced difficult times before. One hundred and forty years ago, our nation was sundered by a great Civil War. A war that divided Missouri as much as any state. A war that I might add, has defined our politics in the nearly 14 decades since, given the fact that, as one historian said, "You vote where and as your great-grand-daddy fought."

Only through the perseverance and resolve of our first Republican president, Abraham Lincoln, did we endure as a nation. Facing the greatest of obstacles, we won the war that re-defined the American experiment and unified the nation paving the way for the great union of 50 states to which it has evolved this day.

As others have before us, today, in this spirit of unity, we can and we must come together to meet the challenges that face us.

Last year, I spent a great deal of time traveling the state, making calls on various individuals. I want to tell you about one visit in the City of Springfield, at a company called Positronic Industries, a high-tech manufacturer of electronic components for various industries, including telecommunications.

The CEO made an enormous impression on this senator, and I want to tell you why.

Jack Gentry is the founder of this fine company, which employs 400 people in our state in manufacturing, and 720 people worldwide.

Mr. Gentry told me that he and his colleagues formed an organization called the Southwest Area Manufacturers Association that must remain ever vigilant, he said, and I quote:

"... in order to protect ourselves from what the politicians are trying to do to us."

I found bracing the blunt-spokenness of this entrepreneurial hero, who got his start as a fighter pilot in the South Pacific during World War II. Could it be that in Jack Gentry's refreshing candor, I had stumbled across a clue to why Missouri finds itself in such an economic mess today?

ITEM: A recent national report tells us that Missouri is one of only nine or so states that remains mired in recession, as the national economy expands at a growth-rate of about 3 percent.

ITEM: From Gov. Holden's own administration, we had the report last August that Missouri led the nation in the loss of manufacturing jobs, with 55,000 jobs lost in the previous year.

In November, another report by the same department of economic development updated us with a new figure: We have lost 77,000 jobs.

It is no honor for Missouri to lead the nation in the loss of manufacturing jobs. In this lamentable category, we are Number One.

ITEM: Last year brought us the terrible news, via the Ford Motor Company, that their plant in Bridgeton, home these last 55 years to 2,600 high-paying UAW jobs, will be closed in just a few years.

St. Louis, long second only to Detroit in auto manufacturing, is slipping.

ITEM: Last month brought to my office representatives of Ford, saying the continued survival of their huge Claycomo plant near Kansas City is endangered by certain local taxing practices - policies over which you and I have no small amount of influence.

ITEM: Perhaps you have letters on your desk, as do I, from a trucking executive or other business leader, who relates that the continued survival of the company is threatened by workers compensation costs spiraling out of control. Or perhaps you have heard, as have I, from physicians who are stunned at the exploding costs of medical malpractice insurance that are doubling, or quadrupling, almost overnight, even with no change in claims history. Or perhaps you have heard from a nursing-home operator or other small business owner, who says spiraling insurance costs are deadly threats to his or her continuance as an employer in our state.

To revisit just one of these examples, if you inquire into the matter, you will learn that in the case of the Bridgeton Ford plant, it costs between \$150 and \$300 more per Explorer - with one emerging from the assembly line every minute -- to manufacture in St. Louis than it does in Louisville, Ky. Their Kentucky plant is staying open.

Facts, as that great Missourian Harry Truman said, are stubborn things. These are facts. We ignore them at our peril. I ask that we pull together to tackle these issues so that when we leave here on the 16th of May, of us it can be said that we took action to better Missouri's economic climate - to take down the sign that has been posted saying, "Missouri is unfriendly to business" and replace it with one that says "we welcome jobs and opportunity and we are very much open for business".

As you well know, we confront a budget situation more grim than any Missourian has seen in the last 50 years. I believe, and hope that you agree, that this shortfall is directly related to the startling economic facts I have just cited.

We must acknowledge those facts are also a result of a state government that went on a spending spree during the last decade, as revenues grew smartly. Now the crunch time has arrived and the bill has come due. And the bill has come due in the same few months that we have seen the voters twice reject proposals put to them, once in August and again in November, to increase taxes.

I pledge to work together with one and all to meet this difficult challenge, to meet our obligation to deliver a budget in balance and on time.

In doing so, we as lawmakers must always remember three requirements of truly representative government:

Sound policy must come before politics;

Reality must come before rhetoric;

And taxpayers must always come before taxes."

The governors' proposal to use \$350 million from an untested method of selling tobacco bonds in order to balance this year's budget raises a host of questions that must be answered. Last session we approved \$50 million in bond appropriations. This fiscal year, the governor wants to use \$350 million in tobacco bond expenditures.

While it is still possible that the governor and the Legislature could reach an agreement on the issue of tobacco bonds, the governor's handling of the matter, to this point, has frankly made it less likely.

A recent New York Times article told of other states that have gone his route, only to see their states' credit ratings suffer a downgrade. An awareness of this risk must accompany all our deliberations on this issue.

Moreover, the governor needs to be absolutely forthcoming with the public and with us about the added risk associated with his new, "hybrid" approach to selling tobacco bonds. Under the governor's new plan, all the risk associated with the sale of the bonds will be placed directly on Missouri taxpayers, rather than transferring that risk to the bondholders as originally proposed.

Further, don't forget that because of a pending lawsuit between the City of St. Louis and the tobacco companies, there is a strong chance that as early as next year, Missouri's share of the tobacco settlement that is supposed to be paying off this new debt, in the hundreds of millions, simply might not be there.

As you can see, plenty of answers will be needed before we agree to head down this road.

The governor has informed us that we face a \$300 million shortfall in the current fiscal year, and as much as \$1 billion in the 2004 fiscal year. With this news in mind, last week he announced \$67 million in cuts and withholdings, and re-shuffled about 700 jobs in state government. To this mix he proposes to close \$100 million in what he calls "corporate tax loopholes."

It is with great interest that I await his 2004 budget proposal, to be delivered in his address to us one week from today.

Let us also remember that last year, this Legislature did yeoman's work in meeting the governor's budget requests, based on projections consented to by that administration. Now, halfway through that budget, the governor faces tough choices that have already faced the Missouri General Assembly.

On the issue of how our state handles vulnerable children entrusted to us, we cannot stand idly by, blinded by parochialism, while families in this state are torn apart by the public policies that are intended to protect them.

Last year, I appointed a special committee and charged it with investigating the policies of the Division of Family Services within the Department of Social Services. Beginning in November, this committee held four hearings: In St. Louis, we heard four-and-a-half hours of testimony from witnesses; in Kansas City, we heard three-and-a-half hours of witnesses; and then in Springfield, our committee convened at 6 p.m. for our third hearing. Six and a half hours and 83 witnesses later, the hearing adjourned at 12:30 a.m. This we followed with another all-afternoon hearing in the Senate lounge last month.

If I may summarize what we heard, in 18 hours of hearings, it was an astonishing outpouring of anguish, tears, bitterness, frustration and despair. We heard witness after witness tell us that our current system has ruined lives, trampled on constitutional rights and torn families apart. Most of this was confirmed by the inquiry launched by the governor's study and included in their report. Children who should be removed from homes weren't, while other children, who should remain in an intact family, were ruthlessly taken and placed into foster care. The testimony was so lopsided against our system, including DFS, judges and juvenile officers, that had our hearings been a prize fight the referees would have stopped it.

Reform legislation will be proposed. I need your help. But far more important, the people of Missouri need your help in vindicating the constitutional rights of our citizens and in cleaning up this terrible blot on our state.

Incidentally, for any who want to take the time, we videotaped all the hearings and have also re-produced the audio on compact discs. I encourage all of you to avail yourselves of the chance to become acquainted with this haunting testimony, as a prelude to the action we must take.

Reform legislation will also be forthcoming on the issue of abuse that occurs in nursing homes, and this will need to be accomplished carefully, so that bad operators are dealt with while good ones aren't unduly penalized or forced to close.

The value of a society can be judged in many ways, none more compelling than how it cares for its oldest, and its youngest members. Let us move forward to improve the way our state cares for both.

In doing so, let us note that no challenge we face is greater than providing educational opportunities for all Missouri's children. Public schools are essential in this effort. Public charter schools are essential in this effort. Private schools are essential in this effort. Likewise, we honor the growing number of our citizens who are choosing the home-school option.

I believe we have an educational emergency - an unfolding catastrophe - in our two great cities. Yes, there are problems in other districts across Missouri. I am open to discussing them. But it seems we long ago became accustomed to reports of 60 percent dropout rates, even as we build more prisons to house the exploding population of these dropouts.

Last week, a published report informed us that in the city of St. Louis, no fewer than 6,000 school children will be informed that under the new federal Leave No Child Behind Act, they have the right to transfer to another school because their schools - 17 of them in St. Louis alone - are failing them. This is more schools than are failing in the District of Columbia, which has long been acknowledged to be one of the most dysfunctional urban school systems in America.

It is clear that for these children the hour is late, the need for action is critical, and all approaches aimed at giving parents more choices must be on the table.

Another year of failure is more than these students can stand. They won't get another chance at education. We must act and act boldly to try new approaches to save another generation, yet again, from the failing schools in which current government policy has trapped them.

Meeting our challenges won't be easy. It won't be painless. Yet together, working across party lines as we often have before, including these last two years, we can bring Missouri through the challenges we face. I invite the governor and all our members to join us as we do the tough work of meeting these daunting challenges. If we do, then perhaps Jack Gentry, and the other Jack Gentrys across Missouri, will not fear what politicians have done to us, but will prosper in what has been accomplished for us, Missourians, and Americans, one and all.